

REMARKS

Claims 1-25 are currently pending in the application. Claims 1, 9, and 16 are independent claims. Claims 2, 3, 15, 17, 18 and 25 are amended. Reconsideration of all pending claims in view of the following remarks is respectfully requested.

Telephone Interview Following Advisory Action

In response to the Advisory Action of July 11, 2005, Applicants' representative contacted the Examiner by telephone on August 1, 2005 to explain that the Rule 1.116 Amendment filed on June 22, 2005 specifically states that on March 16, 2001 both the instant application and US patent 6,327,578 to LINEHAN were commonly owned by IBM Corp. and that the Examiner is incorrect that current USPTO rules require a specific statement by Applicants "at the time the invention was made". The Examiner disagreed and asserted that unless this exact language is used in the Amendment/Response, she may ignore Applicants' arguments regarding 35 USC § 103(c). While Applicants respectfully disagree that an argument asserting 35 USC § 103(c) to overcome a rejection under 35 USC § 103(a) requires Applicants to in fact use this exact language, Applicants are nevertheless, in an effort to advance prosecution, using this language in the instant response and respectfully request reconsideration of the rejections under 35 USC § 103(a).

Present Amendment is proper for entry

Applicants respectfully submit that the instant amendment is proper for entry after final rejection. Applicants note that no question of new matter is presented nor are any

new issues raised in entering the instant amendment of the claims and that no new search would be required. Moreover, Applicants submit that the instant amendment places the application in condition for allowance, or at least in better form for appeal. Accordingly, Applicants request the Examiner to enter the instant amendment, consider the merits of the same, and indicate the allowability of the present application and each of the pending claims. Applicants note, in particular, the claims have been amended only to correct some minor informalities.

35 U.S.C. § 112 Rejection

Claim 25 is rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

While Applicants respectfully disagree that the language of claim 25 is not fully supported by the original disclosure, Applicants are nevertheless amending claim 25 in an effort to resolve this basis of rejection and in order to advance prosecution.

Amendment claim 25 now recites that the third party is the member of the group who limits the transaction to a pre-determined purchasing amount. Support for this language is clearly implicit and discernable from, e.g., page 4, line 19 to page 6, line 10, and specifically page 5, line 4 to page 6, line 10. Note that this language indicates that the prime owner of the card is the third party which established purchase amount limits for other members of the group, i.e., those members with copies of the owner's card.

In view of the above, Applicants request that the Examiner reconsider and withdraw the instant rejection.

35 U.S.C. § 103 Rejections

Claims 1-3 and 8-11 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,327,578 to LINEHAN in view of U.S. Patent No. 6,748,367 to LEE. Dependent claims 4, 5, 13, 14 and 20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN and LEE as applied to claims 1 and 9, in further view of U.S. Patent No. 5,999,624 to HOPKINS. Claims 6, 7, 15 and 21 are rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN, LEE, and HOPKINS as applied to claim 5, in further view of U.S. Patent 6,205,437 to GIFFORD. Claim 12 is rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN and LEE as applied to claim 9, in further view of GIFFORD. Independent claim 16 is rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN in view of GIFFORD. Claims 17-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN and GIFFORD as applied to claim 16, in further view of HOPKINS. Claim 22 is rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN and LEE as applied to claim 1, in further view of U.S. Patent No. 6,014,650 to ZAMPESE. Claims 23 and 24 is rejected under 35 U.S.C. § 103(a) as being unpatentable over LINEHAN and LEE as applied to claim 1, in further view of U.S. Patent No. 6,213,391 to LEWIS. Each of these rejections is respectfully traversed.

**Each of the Above-noted Rejections are Improper
At least Because LINEHAN is not Available Prior Art
Under 35 U.S.C. § 103(a) Against the Instant Application**

Applicants note that each of the above-noted rejections under 35 U.S.C. § 103(a) relies upon LINEHAN as the primary reference. However, Applicants submit that

LINEHAN is not available prior art under 35 U.C.S. § 103(a) against the instant application on the basis of 35 U.C.S. § 103(c).

As the Examiner will note, the instant application was filed in the U.S. on March 16, 2001. LINEHAN issued on December 4, 2001, after March 16, 2001, and was filed in the U.S. on December 29, 1998, before March 16, 2001. Thus, LINEHAN qualifies as prior art only under 35 U.S.C. § 102(e). As will be explained herein, because LINEHAN is prior art only under 35 U.S.C. § 102(e), Applicants submit that LINEHAN cannot be used as a basis for rejection under 35 U.S.C. 103(a) against the instant application.

Under 35 U.S.C. section 103(c), a 35 U.S.C. 102(e) prior art document cannot form the basis of a 35 U.S.C. § 103(a) rejection if that document is assigned to the same owner or assignee as that of the instant application, provided the application was filed after November 29, 1999. As explained above, the instant application was filed in the U.S. on March 16, 2001 (i.e., after 11-29-99). Moreover, both the instant application and LINEHAN were commonly owned, i.e., by International Business Machines Corp. (IBM) on March 16, 2001. Thus, Applicants assert that both the instant application and LINEHAN were commonly owned by International Business Machines Corp. (IBM) at the time the invention was made.

For the record, Applicants confirm that on March 16, 2001 (i.e., the U.S. filing date of the instant application) both the instant invention and the invention claimed in U.S. patent 6,327,578 to LINEHAN, were either owned by the same entity or were subject to an obligation of assignment to the same entity. Applicants note that this is evidenced by the fact that the listed Assignee on the face of LINEHAN is IBM.

Additionally, the Notice of Recordation recorded in the instant application on March 16, 2001 at reel 011636 and frame 0220 evidences IBM as the Assignee.

Thus, each of the above-noted rejections under 35 U.S.C. § 103(a) is improper at least because LINEHAN is not available prior art.

**Allowability of Independent Claims 1 and 9
and Claims Dependent There from**

The suggested combination of LINEHAN and LEE fails to disclose each and every element of claims 1 and 9, as is required for a *prima facie* case of obviousness to be established.

Specifically, claim 1 recites, in pertinent part:

checking, by the electronic payment center, that the at least one PIN code which is provided by said buyer to said electronic payment center is associated with the number of said credit/debit card provided by said buyer to said seller terminal; and
checking, by said electronic payment center, with a third party whether or not the said at least one PIN code is valid.

Claim 9 also recites:

performing a first validation with the transaction information from the buyer and seller by the electronic payment center;
and
requesting, by the electronic payment center, further validation from a third party to provide authentication by an electronic transaction.

The Examiner acknowledges at page 5 of the Office Action that LINEHAN does not expressly disclose checking, by said electronic payment center, with a third party whether the said at least one PIN code is valid. The Examiner, however, cites LEE, at

col. 11, lines 18-23, in support for the assertion that this feature is taught by LEE and further asserts that it would have been obvious to one having ordinary skill in the art to combine the teachings of these documents. Applicants respectfully disagree with this rejection.

Applicants submit that the Examiner is not correct that LINEHAN discloses checking whether the PIN code is associated with a credit/debit card number as recited in claim 1 and further submits that LEE fails to cure the deficiencies of LINEHAN. That is, LEE fails to disclose 1) checking whether the PIN code is associated with a credit/debit card number, and 2) checking with a third party whether or not the PIN code is valid, as recited by claim 1. With respect to claim 9, LEE fails to disclose 1) performing a first validation by the electronic payment center, and 2) requesting, by the electronic payment center, further validation from a third party.

Applicants note that, far from disclosing or suggesting the missing features, the language cited by the Examiner in LEE merely teaches that an authentication server generates a prompt which requests a user to enter a PIN (and an electronic token). Authentication server 150 then interacts with account manager server 122 to verify the digital token and matching PIN. If verified, a session is established. Nothing in this language teaches or suggests that the PIN once verified, is, e.g., subjected to a second, third-party verification process. Moreover, it is apparent from Fig. 5 and the description thereof at columns 8 and 9, that LEE's account manager server 122 is not a third party. Instead, both the account manager server 122 and the authentication server 150 reside within a single processor 110. For at least these reasons, the deficiencies of LINEHAN are not cured by LEE.

Applicants also note the PIN code disclosed in LINEHAN is not the same as the claimed PIN code. For example, the PIN code associated with the credit card described in LINEHAN (see col. 7, line 42) is the PIN code that is commonly used on credit cards nowadays. This PIN code is secret and is not given to any seller. Even for internet transactions, it is not recommended to transmit this PIN code. Instead, a back card identification number is generally used to cross check the validity of credit cards.

By way of background information, the PIN code described and claimed in the present invention cannot be compared to the common PIN codes used on ATM machines to get cash. It is important to note that the PIN code according to the present invention is not secret, unlike the PIN codes commonly used and mentioned in LINEHAN. The PIN codes according to the claimed invention indicate that the buyer has some rights to buy with the debit/credit card up to a given amount. To validate these rights, a verification with a third party is required. This third party is generally not the payment center. In further contrast to LINEHAN, the claimed invention requires only one card number for all the members of a group, and the rules of transactions allowed in association with the credit/debit card are defined by the PIN codes. Thus, the PIN codes for each debit/credit card are different depending on the group members and the maximum authorized amounts.

In contrast to the instant invention, LINEHAN's PIN code is never transmitted to sellers. In LINEHAN, the PIN code can possibly be used by the gateway to authenticate the buyers, but compared to the claimed invention, the function of the LINEHAN's PIN code is completely different. The only common point between LINEHAN and the

claimed invention is that, in both descriptions, the word of "PIN code" is used. Except for that, the object and the use of the respective PIN codes is completely different.

In LINEHAN, the PIN code is secret, but in the present invention, the PIN codes are not secret. In LINEHAN, the PIN code is unique and permanent, but in the present invention, there are a plurality of PIN codes and each of these PIN codes can be used only once. In LINEHAN, the PIN code is used to get cash, but this is not the object of the present invention. In LINEHAN, the PIN code is never transmitted to sellers, but in the present invention, the PIN code is transmitted to the seller (e.g., the PIN code is not secret). In the claimed invention, the PIN code is a means for the seller to check that the associated credit card is allowed for the amount of the transaction.

In addition, in the present invention, a given PIN code may be used only once and a different PIN code must be used for the next transaction (e.g., unlike LINEHAN's PIN Codes, the claimed PIN codes are not permanent). In fact, what it is possible to do with credit cards is different. Unlike the present invention, LINEHAN's invention does not give the owner of a debit/credit card to limit their or another person's transaction to a given amount. This is possible, however, with the present invention.

The present invention describes the use of the PIN codes in two types of transactions :

- transactions with a prevalidated amount, or
- transactions requiring a 3rd party validation.

In LINEHAN, it is impossible for a seller to check that a person is only allowed to buy up to a limited amount. Indeed, the use of a credit/debit card such as the one described in the claimed invention, having a limited but certified transaction capability, is

new. Such a credit/debit card guarantees the seller and its bank that the payment will be authorized without any problem.

Nor does LEE provide a PIN code which is similar to that of the claimed invention. In LEE, the PIN code has a secret value that allows the validation of the token. In the present invention, however, the PIN code is not secret. Instead, the claimed PIN code is given to a third party server that indicates in return that the transaction and the corresponding amount are authorized. This has nothing to do with the conclusion of the transaction done by the payment center using different means. These means generally include additional secure steps. These additional steps are, of course, are well-known and are not part of the claimed invention.

In fact, in LEE, does not teach or suggest any transaction validation either based on a prevalidated amount or on a 3rd party validation as claimed.

Accordingly, claims 1 and 9 remain allowable over the combination of LINEHAN and LEE. Dependent claims 2, 3, 8, 10 and 11 are further allowable over the combination of cited references due to their dependencies from allowable base claims 1 and 9. For these reasons, the Examiner is respectfully requested to withdraw the § 103(a) rejection of claims 1-3 and 8-11, and to pass these claims to issue.

Allowability of Dependent Claims 4-7, 12-15, 20 and 21

The rejection of dependent claims 4-7, 12-15, 20 and 21, over LINEHAN and LEE as applied to claims 1 and 9, in further view of HOPKINS and/or GIFFORD, is mooted at least because of the traversal of the combination of LINEHAN and LEE as indicated above. Consequently, withdrawal of this rejection is respectfully requested.

Allowability of Dependent Claims 22-24

The rejection of dependent claim 22 over LINEHAN and LEE as applied to claim 1, in further view of ZAMPESE, and the rejection of dependent claims 23-24, over LINEHAN and LEE as applied to claim 1, in further view of LEWIS, are mooted at least by the traversal of the combination of LINEHAN and LEE noted above. Consequently, withdrawal of these rejections is respectfully requested.

Allowability of Independent Claim 16

The suggested combination of LINEHAN and GIFFORD fails to disclose each and every element of claim 16, as is required for a *prima facie* case of obviousness to be established. Specifically, claim 16 recites, in pertinent part:

performing a pre-validation of buyer information with a third party;
performing a validation with the transaction information from the buyer and seller by the electronic payment center; and
providing authentication for a sale by an electronic transaction when the pre-validation and validation provide authorization

The Examiner acknowledges at page 11 of the Office Action that LINEHAN does not expressly disclose performing a pre-validation of buyer information with a third party and providing authentication information for a sale by an electronic transaction when the pre-validation and validation provide authentication. However, the Examiner cites col. 7, lines 40-61 of GIFFORD as disclosing these features.

Applicant disagrees with this basis of rejection and respectfully submits that GIFFORD fails to cure the noted deficiencies of LINEHAN. In particular, Applicants

submit that GIFFORD fails to disclose authentication information for a sale by an electronic transaction when the pre-validation and validation provide authentication. In the passage cited by the Examiner, GIFFORD merely teaches pre-validating buyer information using a separate payment computer. GIFFORD discloses that a buyer computer prepares a payment order and sends it to a separate payment computer for validation. Once validated, the payment computer returns an unforgeable certificate to the merchant computer, which then performs fulfillment and sends the purchased product(s) to the buyer. Thus, GIFFORD teaches providing authentication for a sale by electronic transaction when the pre-validation alone provides validation. In contrast, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3rd party) and validation (performed by the electronic business center) provide authorization. For at least these reasons, independent claim 16 remains allowable over the combination of LINEHAN and GIFFORD.

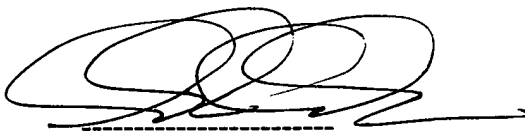
Allowability of Dependent Claims 17-19

The rejection of dependent claims 17-19, over LINEHAN and GIFFORD as applied to claim 16, in further view of HOPKINS, is mooted at least by the traversal of the combination of LINEHAN and GIFFORD. Consequently, withdrawal of this rejection is respectfully requested.

CONCLUSION

In view of the foregoing remarks, Applicants submit that all of the claims are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if needed. Applicants hereby make a written conditional petition for extension of time, if required. Please charge any deficiencies in fees and credit any overpayment of fees to **International Business Machines Deposit Account No. 09-0457 (Endicott).**

Respectfully submitted,
Jacques FIESCHI, *et al.*

A handwritten signature in black ink, appearing to read 'Andrew M. Calderon', written over a horizontal dashed line.

Andrew M. Calderon
Reg. No. 38,093

August 1, 2005
GREENBLUM & BERNSTEIN, P.L.C.
1950 Roland Clarke Place
Reston, VA 20191
703-716-1191